



MISSOURI DEPARTMENT OF REVENUE  
**S CORPORATION INCOME/FRANCHISE TAX RETURN**

FORM  
**MO-1120S**  
(REV. 11-2000)

FILE PERIOD BEGINNING 20 , ENDING 20

- ☐ A1. AMENDED CORPORATE RETURN    ☐ B. FINAL RETURN    ☐ C. NAME CHANGE    ☐ D. ADDRESS CHANGE    ☐ E. FEIN CHANGE    ☐ F. BANKRUPTCY  
☐ A2. AMENDED FRANCHISE RETURN    ☐ G. INITIAL RETURN    ☐ H. S CORPORATION ONLY    ☐ I. FRANCHISE TAX ONLY  
☐ J. Check this box and sign below if your assets in Missouri (Form MO-FT, Line 6a), or apportioned to Missouri (Form MO-FT, Line 6b) do not exceed \$1,000,000. You do not owe franchise tax. If your assets do exceed the \$1,000,000 threshold, you must complete and attach Form MO-FT and enter the franchise tax due on the Form MO-1120S, Line 13 below.

CORPORATION NAME	CHARTER NUMBER	FEDERAL I.D. NUMBER
NUMBER AND STREET	PARENT FEIN	DOR ONLY
CITY OR TOWN, STATE, ZIP CODE		

**S CORPORATION INFORMATION FOR FILING**

1. Does the S corporation have ANY Missouri modifications? ☐ YES ☐ NO If YES, complete Parts 1 and 4.  
2. Does the S corporation have ANY nonresident shareholders? ☐ YES ☐ NO If YES, complete Part 4 and Form MO-NRS.  
3. Does S corporation have income derived from sources other than Missouri? ☐ YES ☐ NO If YES, enter % \_\_\_\_\_ % and attach Form MO-MSS.

**PART 1 — MISSOURI S CORPORATION ADJUSTMENT**

**Additions (attach detailed explanation of each item)**

1a. State and local income taxes deducted on Federal Form 1120S	1a	00		
1b. Less: Kansas City and St. Louis earnings taxes. Enter Line 1a minus Line 1b on Line 1.	1b	00	1	00
2. State and local bond interest (except Missouri)	2	00		
3. Less: related expenses (omit if less than \$500)	3	00		
4. Net (subtract Line 3 from Line 2)			4	00
5. <input type="checkbox"/> Partnership; <input type="checkbox"/> Fiduciary; <input type="checkbox"/> Other adjustments (list _____)			5	00
6. Total of Lines 1, 4 and 5			6	00

**Subtractions (attach detailed explanation of each item)**

7a. Interest from exempt federal obligations	7a	00		
7b. Less: related expenses (omit if less than \$500) Enter Line 7a minus Line 7b on Line 7	7b	00	7	00
8. Amount of any state income tax refund included in federal ordinary income			8	00
9. <input type="checkbox"/> Partnership; <input type="checkbox"/> Fiduciary; <input type="checkbox"/> Other adjustments (list _____)			9	00
10. Total of Lines 7, 8 and 9			10	00
11. Missouri S corporation adjustment — <b>NET ADDITION</b> — excess Line 6 over Line 10			11	00
12. Missouri S corporation adjustment — <b>NET SUBTRACTION</b> — excess Line 10 over Line 6			12	00

**PART 2 — FRANCHISE TAX/CREDITS/PAYMENTS**

13. Corporation Franchise Tax (Complete Form MO-FT and attach Federal Schedule L)	13	00
14. Tax credits — (attach Form MO-TC)	14	00
15. Include approved overpayments applied from last file period	15	00
16. Payments with Form MO-60	16	00
17. <b>AMENDED RETURN ONLY:</b> Tax paid with (or after) the filing of the original return	17	00
18. Subtotal — add Lines 14 through 17	18	00
19. <b>AMENDED RETURN ONLY:</b> Overpayment, if any, as shown on original return or as later adjusted	19	00
20. Total — Line 18 less Line 19	20	00

**PART 3 — REFUND OR TAX DUE**

21. If Line 20 is greater than Line 13, enter OVERPAYMENT here	21	00
22. Overpayment to be applied to next filing period	22	00
23. Overpayment to be refunded — Line 21 less Line 22	23	00
24. If Line 20 is less than Line 13 enter UNDERPAYMENT here	24	00
25. Interest	25	00
26. Additions to tax (for late filing or late payment)	26	00
27. TOTAL DUE — add Lines 24 through 26 (U.S. funds only)	27	00

I authorize the Director of Revenue or delegate to discuss my return and attachments with the preparer or any member of his/her firm. <input type="checkbox"/> YES <input type="checkbox"/> NO		PREPARER'S TELEPHONE NUMBER	DOR USE ONLY
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. If prepared by a person other than a shareholder, his/her declaration is based on all information of which he/she has any knowledge.			
SIGNATURE OF OFFICER	PREPARER'S SIGNATURE (OTHER THAN OFFICER)	FEIN, SSN OR PTIN	<input type="checkbox"/> S
DATE	TELEPHONE NO. ( )	PREPARER'S ADDRESS AND ZIP CODE	<input type="checkbox"/> E
			<input type="checkbox"/> B
			<input type="checkbox"/> P

Send completed return and required attachments to: Missouri Department of Revenue, P.O. Box 3080, Jefferson City, MO 65105-3080.

**PART 4 — ALLOCATION OF MISSOURI S CORPORATION ADJUSTMENT TO SHAREHOLDERS**

CORPORATION NAME

MITS/MO I.D. NUMBER

▶ 1. NAME OF EACH SHAREHOLDER. ALL SHAREHOLDERS MUST BE LISTED. USE ATTACHMENT IF NECESSARY.	2. CHECK BOX IF SHAREHOLDER IS NONRESIDENT	3. SOCIAL SECURITY NUMBER	4. SHAREHOLDER'S SHARE %	5. SHAREHOLDER'S CORPORATION ADJUSTMENT <input type="checkbox"/> ADDITION <input type="checkbox"/> SUBTRACTION
a)	<input type="checkbox"/>		PERCENT	00
b)	<input type="checkbox"/>		PERCENT	00
c)	<input type="checkbox"/>		PERCENT	00
d)	<input type="checkbox"/>		PERCENT	00
e)	<input type="checkbox"/>		PERCENT	00
f)	<input type="checkbox"/>		PERCENT	00
g)	<input type="checkbox"/>		PERCENT	00
h)	<input type="checkbox"/>		PERCENT	00
i)	<input type="checkbox"/>		PERCENT	00
j)	<input type="checkbox"/>		PERCENT	00
k)	<input type="checkbox"/>		PERCENT	00
l)	<input type="checkbox"/>		PERCENT	00
m)	<input type="checkbox"/>		PERCENT	00
n)	<input type="checkbox"/>		PERCENT	00
o)	<input type="checkbox"/>		PERCENT	00
p)	<input type="checkbox"/>		PERCENT	00
q)	<input type="checkbox"/>		PERCENT	00
r)	<input type="checkbox"/>		PERCENT	00
s)	<input type="checkbox"/>		PERCENT	00
t)	<input type="checkbox"/>		PERCENT	00
u)	<input type="checkbox"/>		PERCENT	00
v)	<input type="checkbox"/>		PERCENT	00
w)	<input type="checkbox"/>		PERCENT	00
x)	<input type="checkbox"/>		PERCENT	00
y)	<input type="checkbox"/>		PERCENT	00
<b>TOTAL</b>			100 PERCENT	00

COLUMN 4 — Enter percentages from Federal Schedule K-1(s). Round percentages to whole numbers.

COLUMN 5 — Enter Missouri S corporation adjustment from Form MO-1120S, Line 11 or 12, as total of Column 5. Multiply each percentage in Column 4 by the total in Column 5. Indicate at the top of Column 5 whether the adjustments are additions or subtractions. The amount after each shareholder's name in Column 5 must be reported as a modification by the shareholder on his/her Form MO-1040, Individual Income Tax Return either as an addition to, or subtraction from, federal adjusted gross income.

# FORM MO-1120S S CORPORATION INCOME TAX RETURN

## Information

This information is for guidance only and does not state the complete law.

## WHO MUST FILE FORM MO-1120S

### **CORPORATION FRANCHISE TAX:**

Every S corporation must determine if its assets or apportioned assets are greater than \$1,000,000. If its assets (in or apportioned to Missouri) are over \$1,000,000, the S corporation must complete and file Form MO-FT and Form MO-1120S, Parts 2 and 3. Attach a copy of Federal Schedule L. If their assets (in or apportioned to Missouri) are below \$1,000,000, the S corporation must check Box J on Form MO-1120S and sign the return.

### **S CORPORATION INCOME TAX:**

Every S corporation must file Form MO-1120S if they file Federal Form MO-1120S and the S corporation has 1) a shareholder that is a Missouri resident, or 2) any income derived from Missouri sources (Section 143.471, RSMo). Attach a copy of Federal Form 1120S and all Schedule K-1(s). Qualified subchapter S subsidiaries (QSSS) must file a separate Form MO-1120S and attach their separate balance sheet. The QSSS must also check Box I on the Form MO-1120S.

## MISSOURI REGISTRATION

Every S corporation must register with the Department of Revenue to receive a Missouri Tax Identification Number. To register, contact: **Department of Revenue, Division of Taxation and Collection, P.O. Box 3300, Jefferson City, MO 65105-3300, visit our web site at <http://dor.state.mo.us/tax> or call (573) 751-5860.**

## WHEN TO FILE

### **CORPORATION FRANCHISE TAX:**

Corporation franchise tax is due on or before the 15th day of the fourth month following the **beginning** of the tax year. Example: Taxable period of January 1, 2001 to December 31, 2001; due April 15, 2001.

### **S CORPORATION INCOME TAX:**

S corporation return is due on or before the 15th day of the fourth month following the **end** of the tax year. Example: Taxable period of June 1, 2000 to December 31, 2000; due April 15, 2001.

**Note:** When the due date falls on a Saturday, Sunday or legal holiday, the return will be considered timely filed on the next business day. Include the Missouri Tax Identification Number on the check or money order. Mail returns to **Department of Revenue, P.O. Box 3080, Jefferson City, MO 65105-0380.**

## PERIOD COVERED BY THE RETURN

Form MO-1120S must cover the same period as the corresponding Federal Form 1120S. Indicate the period covered on the front of the return. If filing a calendar year Form MO-1120S, enter dates of January 1, 2000 to December 31, 2000. If filing Form MO-FT for a calendar year, enter dates January 1, 2001 to December 31, 2001. **These returns must be filed together on the same forms.**

## ROUNDING ON MISSOURI RETURNS

You must round all cents to the nearest whole dollar on your return. For cents .01 through .49, round down to the previous whole dollar

amount (round \$32.49 down to \$32.00) on the return. For cents .50 through .99, round up to the next whole dollar amount (round \$32.50 up to \$33.00) on the return. For your convenience, the zeros have already been placed in the cent columns on the returns.

## EXTENSION OF TIME TO FILE

If an S corporation has been granted an extension of time to file its federal income tax return, the time for filing the Missouri income tax return is automatically extended for a similar period of time. A copy of the Federal Extension Form 7004 must be attached to the Form MO-1120S when filed. **Form MO-60 is only required if a franchise tax liability exists.**

**If Form MO-60 is used to extend the time to file a Missouri composite return, the Form MO-60 must be marked as an individual (Form MO-1040) and not as an S corporation.**

## NONRESIDENT SHAREHOLDERS

Every S corporation must file Form MO-1NR, Income Tax Withheld for Nonresident Individual Partners or S Corporation Shareholders and send in copies of Form MO-2NR, Statement of Income Tax Payments for Nonresident Individual Partners or S Corporation Shareholders if they have nonresident individual shareholders who do not meet one of the following exceptions:

- the nonresident shareholder, not otherwise required to file a return, elects to have the Missouri income tax due paid as part of the S corporation's composite return;
- the nonresident shareholder, not otherwise required to file a return, had Missouri assignable federal adjusted gross income from the S corporation of less than twelve hundred (\$1,200) dollars;
- the S corporation is liquidated or terminated, income was generated by a transaction related to termination or liquidation, and no cash or property was distributed in the current or prior taxable year.

Pursuant to Section 143.411, RSMo, a nonresident shareholder can request the S corporation be exempt from withholding by filing a completed Form MO-3NR, Partnership/S Corporation Withholding Exemption/Revocation Agreement.

Form MO-1NR must be filed by the due date or extended due date for filing the S corporation income tax return. Form MO-3NR must be filed by the due date for filing the S corporation income tax return without regard to an extension of time to file.

Forms may be obtained by contacting: Department of Revenue, Division of Taxation and Collection, P.O. Box 3022, Jefferson City, MO 65105-3022, call (800) 877-6881 (TDD (800) 735-2966), visit our web site at <http://dor.state.mo.us/tax> or contact the department's Forms-by-Fax at (573) 751-4800.

If you have technical questions concerning the filing of Form MO-1NR and Form MO-3NR you may contact the Division of Taxation and Collection at (573) 751-1467. **If you are filing a composite return and you have questions or you need to request permission to file a composite return, contact the Division of Taxation and Collection at (573) 751-1467.**

## S CORPORATION ADJUSTMENTS

Each S corporation, having modifications, must complete the Form MO-1120S, Parts 1 and 4, and notify each shareholder of the adjustments to which he/she is entitled. Missouri income tax law provides adjustments to a shareholder's share of the S corporation income included in his/her individual federal income tax return in order to properly determine his/her individual Missouri adjusted gross income. Each shareholder should add the explanation: "S Corporation Adjustments-S Corporation Name" to the Form MO-1040. A copy of the Form MO-1120S must be provided to each shareholder.

## CAPITAL GAIN EXCLUSION FROM THE SALE OF LOW INCOME HOUSING PROJECT

Enter on Form MO-NRS, Part 2, Line 13 as "Other Adjustments" the excludable amount of gain resulting from the sale of a low income housing project subsidized by the Federal Department of Housing

and Urban Development to a nonprofit or governmental organization, agreeing to preserve or increase the low income occupancy of the project. A copy of Federal Form 4797 must be attached to verify the credit. For those owners whose low income housing project has at least 40% of its units occupied by persons or families having incomes of 60% or less of the median income, the exclusion shall equal 25% of the capital gain.

## **INTEREST ON EXEMPT FEDERAL OBLIGATIONS**

Interest from direct obligations of the U.S. Government, such as U.S. savings bonds, U.S. treasury bills, bonds and notes is exempt from state taxation under the laws of the United States. **Attach a detailed list or all Federal Form 1099(s).** S corporations that claim an exclusion for interest from U.S. obligations must identify the specific securities owned, e.g., "U.S. savings bond". A general description such as "interest on U.S. obligation" or "U.S. Government securities" is not acceptable. (See 12 CSR 10-2.150 for the taxability of various U.S. Government related obligations.) A list of exempt U.S. obligations must be provided to each shareholder by the S corporation. This list will allow the shareholder to report the modification on his/her Missouri Individual Income Tax Return, Form MO-1040.

A federally taxed distribution received from a mutual fund investing exclusively in **direct** U.S. Government obligations is exempt. If the fund invests in both exempt and nonexempt government obligations, a year-end statement from the mutual fund that details the breakdown of exempt (direct) and nonexempt (indirect) portion of the distribution from the fund is required. A copy of the fund statement must be provided to the shareholders of the S corporation.

**Note:** Failure to attach a copy of the notification furnished to you that specifically details the amount of the subtraction being claimed as your distributive share will result in the disallowance of the deduction.

In arriving at the amount of related expenses, the taxpayer may use actual expenses or a reasonable estimate. In general, the taxpayer should use the same or similar method used to compute related expenses for federal income tax purposes, provided that the method reasonably reflects related expenses for Missouri-exempt income.

If a taxpayer fails to compute reasonable related expenses, the Director of Revenue will make an adjustment based on the best information made available. If sufficient information is not made available or if the taxpayer's records do not provide sufficient information, the Director of Revenue will use the following formula to compute related expenses:

$$\frac{\text{Exempt income}}{\text{Total income}} \times \text{Expense items} = \text{Reduction to exempt income}$$

The principal expense item in this formula is interest expense; however, the Director of Revenue may include other expense items because of their direct relationship to the production of exempt income. The taxpayer may propose an alternative method provided that it properly reflects the amount of related expenses.

## **CREDITS**

Shareholders may be entitled to any of the following tax credits: New or Expanded Business Facility Credit, Development Reserve Credit, Infrastructure Development Credit, Export Finance Credit, Missouri Low Income Housing Credit, Missouri Business Modernization and Technology (Seed Capital) Credit, Neighborhood Assistance Credit (including Homeless Assistance Credit), Affordable Housing Assistance Credit, Enterprise Zone Credit, Small Business Incubator Credit, Small Business Investment (Capital) Credit, Community Bank Investment Credit, Qualified Research Expense Credit, Higher Education

Scholarship Fund Credit, Special Needs Adoption Credit, Brownfield "Jobs and Investment" Credit, Youth Opportunities Credit, Processed Wood Energy Credit, Missouri Business Use Incentives for Large-Scale Development (BUILD) Credit, Maternity Home Credit, Shelter for Victims of Domestic Violence Credit, Historic Preservation Credit and Sponsorship, Mentoring Program Credit, Charcoal Producers Credit, Film Production Credit, Wine and Grape Production Credit, Rebuilding Communities Credit, Skills Development Credit, Advantage Missouri Credit, SBA Guaranty Fee Credit, Dry Fire Hydrant Credit, Agricultural Product Utilization Contributor Credit, New Generation Cooperative Incentive Credit, Bank Credit for S Corporation Shareholders, Family Development Account Credit, New Enterprise Creation Credit, Remediation Credit, Rebuilding Communities and Neighborhood Preservation Credit, Disabled Access Credit and Mature Worker Childcare Program Credit. These credits must be allocated to the shareholders based on the shareholders' percentage of ownership and reported on the Form MO-1040, Individual Income Tax Return. See Form MO-1040 and Form MO-TC instructions for further information.

## **AUTHORIZATION**

Check the "yes" box for authorization of release of confidential information. This authorizes the Director of Revenue or delegate to discuss this return and attachments with the preparer whose signature appears on the Form MO-1120S or to any member of his/her firm. If the authorization box is checked "no", or if neither box is checked, the Department of Revenue can only discuss this return with an officer of the S corporation. Refer to Section 32.057, RSMo.

## **SIGNATURE**

Sections 143.561.1 and 147.020, RSMo, requires the return to be signed by one of the officers of the S corporation. Failure to sign the return will cause a delay in the processing of the return.

## **ASSEMBLE YOUR RETURN**

Assemble any forms and/or schedules behind Form MO-1120S in order of the "Attachment Sequence No." shown in the upper right corner of the form and/or schedule. Put forms without an attachment sequence number next. If you have supporting documentation, arrange them in the same order of forms and/or schedules they support and attach them last. Do not attach items unless required to do so.

## **INTERNET/WORLD WIDE WEB**

Individuals can access the department's web site to obtain informational materials and Missouri tax forms at the following address: <http://dor.state.mo.us/tax>.

## **TAX FORMS AVAILABLE BY FAX**

Blank Missouri tax forms are available by fax. To access the "Forms-by-Fax" System call (573) 751-4800 from your **fax machine handset**. The "Forms-by-Fax" System will take you through the steps to fax you a copy of the forms you need. If you are speech or hearing impaired, please call TDD (800) 735-2966 or fax (573) 526-1881.

## **AMERICANS WITH DISABILITIES ACT (ADA)**

The state of Missouri offers a Dual Party Relay Service (DPRS) for hearing/speech impaired individuals. This service was implemented in accordance with the Americans with Disabilities Act (ADA). A hearing/speech impaired individual may call a voice user at (800) 735-2966 or fax (573) 526-1881.



MISSOURI DEPARTMENT OF REVENUE  
**CORPORATION FRANCHISE  
TAX SCHEDULE**

FORM  
**MO-FT**  
(REV. 11-2000)

Attachment Sequence No. 1120-02 and 1120S-01

CORPORATION NAME	MITS/MO I.D. NUMBER	CHARTER NUMBER
FILE PERIOD BEGINNING (MMDDYY)	20	ENDING 20
DATE OF BALANCE SHEET (MMDDYY)		
DO YOUR ASSETS INCLUDE AN INTEREST IN A PARTNERSHIP AND/OR LIMITED LIABILITY COMPANY? <input type="checkbox"/> YES <input type="checkbox"/> NO		

**READ INSTRUCTIONS BEFORE COMPLETING THIS SCHEDULE**

<ul style="list-style-type: none"><li>Corporations having all assets within Missouri complete items 1, 2, 6a and 7 <b>ONLY</b>.</li><li>Corporations having assets both within and without Missouri complete all items except 6a.</li></ul>			
1. Par value of issued and outstanding stock (For no-par value stock, see instructions) .....	1		00
2. Assets			
2a. Total assets per attached balance sheet .....	2a		00
2b. Less: Investments in and advances to subsidiaries over 50% owned (Attach schedule showing name of corporations, percentage of ownership and amount) .....	2b		00
2c. Adjusted total (Line 2a less Line 2b) .....	2c		00
3. Allocation per attached balance sheet or schedule (See instructions.)	(A) MISSOURI	(B) EVERYWHERE	
3a. Accounts receivable (net of allowance for bad debt) .....	3a	00	3a 00
3b. Inventories (net, book value) .....	3b	00	3b 00
3c. Land and fixed assets (net of accumulated depreciation) ....	3c	00	3c 00
3d. Total allocated assets (add Lines 3a, 3b and 3c) .....	3d	00	3d 00
4. Missouri percentage for apportionment (Line 3d, Column A divided by Column B) .....	4		%
5. Assets apportioned to Missouri (Line 2c times Line 4) .....	5		00
6. Tax basis:			
6a. Corporations having all assets within Missouri (Line 2c or Line 1, whichever is greater) .....	6a		00
6b. Corporations having assets both within and without Missouri (Line 5 or the product of Line 1 times Line 4, whichever is greater.) .....	6b		00
If Line 6a or Line 6b is less than \$1,000,000, <b>STOP HERE</b> and check <b>Box N</b> on Form MO-1120 or <b>Box J</b> on Form MO-1120S.			
7. Tax Computation			
7a. Tax — 1/30th of 1% (.000333 of Line 6a or Line 6b) .....	7a		00
7b. Short periods (for new corporations and change in accounting short periods only) —			
Line 7a x _____ = Prorated Tax Due (insert number of months in short period) .....	7b		00
7c. Tax due (Line 7a or Line 7b, whichever applies) Enter here and on Form MO-1120, Page 1, Line 15 or Form MO-1120S, Page 1, Line 13 .....	7c		00



# FORM MO-FT, FRANCHISE TAX SCHEDULE INSTRUCTIONS

## Corporations/S Corporations Subject to Franchise Tax

All domestic corporations must file a Form MO-1120, Corporation Income Tax/Corporation Franchise Tax Return or Form MO-1120S, S Corporation Income/Franchise Tax Return and Form MO-FT, Franchise Tax Schedule and pay any tax due. All foreign corporations engaged in business in Missouri must likewise file a Form MO-1120 or Form MO-1120S and Form MO-FT and pay any tax due. Franchise tax is based on the total assets of the corporation or the par value of issued and outstanding capital stock, whichever is greater. For capital stock with no par value, the value is \$.00 per share or actual value, whichever is higher.

**If a corporation's assets in Missouri or apportioned to Missouri are \$1,000,000 or less, the corporation is not required to pay franchise tax. However, the corporation must still file and state that their assets do not exceed \$1,000,000. Check Box N on Form MO-1120 or check box on Form MO-1120S and sign the return.**

If in doubt as to the corporation's tax basis, Lines 1 through 6 of the Form MO-FT, Franchise Tax Schedule may be used.

## Corporations/S Corporations Exempt From Filing Franchise Tax

Not-for-profit corporations, industrial development authorities, express companies which now pay annual tax on their gross receipts in Missouri, insurance companies which pay an annual tax on their premium receipts in this state, certain electric and telephone corporations, mutual insurance corporations not having shares, savings and loan associations, and regulated investment companies (see Section 147.010.2), or banking institutions subject to the franchise tax imposed by Sections 148.010–148.110, RSMo, are exempt from filing corporation franchise tax.

## New Domestic and Foreign Corporations

Corporations required to pay a franchise tax will have a schedule due by the 15th day of the fourth month after the date of incorporation (date of qualification in Missouri if a foreign corporation) whether it be a short period or a full 12 months.

## Time and Place for Filing and Payment of Taxes

A corporation which uses a calendar year for reporting and payments (from January 1 to December 31) must file and pay taxes on or before April 15 of each year. If a fiscal year, other than a calendar year, is used, the return and tax payments are due on or before the 15th day of the fourth month from the beginning of the taxable period. A short period return and payment is due on or before the 15th day of the fourth month from the beginning of the short period. If filing Form MO-1120, payment of the franchise tax should be sent to the: Department of Revenue, P.O. Box 700, Jefferson City, MO 65105-0700. If filing Form MO-1120S, payment of the franchise tax should be sent to the Department of Revenue, P.O. Box 3080, Jefferson City, MO 65105-3080.

## Extension of Time for Filing

Extra time for filing a Form MO-1120 or Form MO-1120S and Form MO-FT, Franchise Tax Schedule can be obtained by filing an extension request on Form MO-60, Application for Extension of Time to File. To avoid additions to tax, a check for at least 90% of the tax due must accompany the request.

## Rate and Basis of Tax

Section 147.010, RSMo, 1999, requires 1/30 of 1% (.000333) of the value of the tax basis.

## Balance Sheet

A copy of the balance sheet (Federal Form 1120 or 1120S, Schedule L) and supporting schedules as of the beginning of the corporation's taxable period must be attached. Only include those schedules pertaining to asset information. A new corporation should submit its balance sheet as of the date of its incorporation/authorization when filing the franchise tax schedule. Please attach an explanation with the report if an alternate accounting method is used.

## Definitions

**A. SUBSIDIARY INVESTMENTS:** Submit a schedule of investments and advances to all subsidiaries indicating the names and percentage of voting stock owned in each and amounts. Ownership of the subsidiary must be over 50% to qualify. **Subsidiaries must be corporations.**

**B. ALLOCATION AND APPORTIONMENT:** A corporation having assets both within and without Missouri, apportions its total assets based on the amount of accounts receivable, inventory, land and fixed assets allocated to Missouri. Corporations doing business within and without Missouri should submit a balance sheet or schedule of Missouri assets in addition to the balance sheet. Extend the apportionment percentage on Form MO-FT, Line 4 to six digits to the right of the decimal point: such as 12.34565% is .123457 and 1.2345% is .012345. **NOTE:** If a corporation uses a different method of apportionment, it must submit complete documentation supporting its method. This documentation must include detailed financial statements reflecting all assets employed in Missouri as well as total assets.

**C. ACCOUNTS RECEIVABLE:** Include as Missouri assets all notes, accounts and contracts receivable that are based upon Missouri destina-

tion sales. Receivables which are not derived from sales must be included as Missouri assets if the borrower is located in Missouri. If accounts receivable from subsidiaries are included in Line 2b, do not include in Line 3a. Receivables must be reported net of allowance for bad debt.

**D. INVENTORIES:** Include as Missouri assets the amount of all inventories owned by the corporation and used in Missouri. The value of inventories should be reported net and at book value.

**E. LAND AND FIXED ASSETS:** Include as Missouri assets all land and fixed assets located in Missouri owned by the corporation. The value is the original cost less accumulated depreciation. Include property and equipment under construction and leasehold improvements.

**F. NEGATIVE ASSETS:** Negative assets as shown on the balance sheet constitute a liability and are not deductible. Add negative figures back to total assets.

## DELINQUENT PAYMENTS

### Interest:

Simple interest is charged on all delinquent taxes from the due date of the return until the payment is received. The simple interest rate, effective January 1, 2001, is 10% per annum (Section 32.065, RSMo).

### Additions to Tax:

If the return is not filed by the due date, including extensions of time to file, additions to tax of 5% per month (not to exceed 25% in the aggregate) is charged during the period of such failure.

If the tax due is not paid, unless an extension of time to pay has been granted, additions to tax of 5% is charged with respect to that part of the total tax for the year which is not paid by the original due date of the return. The additions to tax will be waived if a) the amount of tax paid on or before the original due date of the return is at least 90% and b) the balance of the tax due is paid on or before the due date of the return including extensions of time to file.

## Administrative Dissolution

If a corporation required to file a franchise tax schedule fails to file the schedule and pay the tax within ninety (90) days from the original due date (or 90 days from the extension due date), it shall forfeit its charter (or Certificate of Authority for a foreign corporation) in this state under the provisions of Section 351.525, RSMo.

## Miscellaneous Tax Credits

Corporations filing Form MO-FT, Franchise Tax Schedule may be eligible to take credits against their Franchise Tax due.

**NAC**—Neighborhood Assistance Credit

**SCC**—Missouri Business Modernization & Technology (Seed Capital) Credit

**IDC**—Infrastructure Development Credit

**SBI**—Small Business Incubator Credit

**ISB**—Small Business Investment (Capital) Credit

**LHC**—Missouri Low-Income Housing Credit

**DRC**—Development Reserve Credit

**EFC**—Export Finance Credit

**AHC**—Affordable Housing Credit

**RCC**—Rebuilding Community Credit

**NEC**—New Enterprise Creation Credit

**FDA**—Family Development Account Credit

**CBC**—Community Bank Investment Credit

**RTC**—Remediation Credit

**YOC**—Youth Opportunities Credit

**MWC**—Mature Worker Childcare Program Credit

**RCN**—Rebuilding Communities and Neighborhood Preservation Credit

For more information or forms to make claims for the credits listed above, contact the Missouri Department of Economic Development, P.O. Box 118, Jefferson City, MO 65102 or access: <http://ecodev.state.mo.us>.

**HEC**—Higher Education Scholarship Fund Credit—contact the Missouri Department of Higher Education, P.O. Box 6730, Jefferson City, MO 65102.

**DVC**—Shelter for Victims of Domestic Violence Credit—contact the Missouri Department of Public Safety, P.O. Box 749, Jefferson City, MO 65102-0749 or call (573) 751-4905.

**MHC**—Maternity Home Credit—contact the Missouri Department of Social Services, P.O. Box 88, Jefferson City, MO 65103-0088 or call (573) 751-4920.

For more information regarding the following credits, contact the Missouri Agricultural and Small Business Development Authority, P.O. Box 630, Jefferson City, MO 65102 or access: <http://www.mda.state.mo.us/ag.htm>.

**NGC**—New Generation Cooperative Incentive Credit

**APU**—Agriculture Product Utilization Contributor Credit

## Foreign Corporations Acting as General Partners

The Limited Partnership Law (Chapter 359) does not require foreign corporations acting as general partners of limited partnerships to qualify as foreign corporations doing business in Missouri. Nevertheless, these foreign corporations may owe a franchise tax. If they do, they should indicate on their franchise tax schedule that they are a general partner of a limited partnership. Calculate the tax liability based upon the percentage of ownership in the partnership.